

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Township Ambulance Authority	County Antrim
Fiscal Year End 3-31-06	Opinion Date 6-1-06	Date Audit Report Submitted to State 7-13-06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

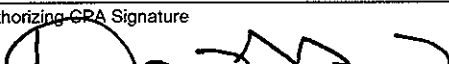
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input type="checkbox"/>	None	
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Daniel S. Smith, CPA		Telephone Number 989-732-1441	
Street Address 114 S. Center Ave Suite 108		City Gaylord	State MI
Zip 49735			
Authorizing CPA Signature 	Printed Name Daniel S. Smith	License Number 1101020912	

TOWNSHIP AMBULANCE AUTHORITY

ANTRIM COUNTY

FINANCIAL STATEMENTS

MARCH 31, 2006

TOWNSHIP AMBULANCE AUTHORITY

CENTRAL LAKE

STANLEY BEAN

CHESTONIA

ROBERT BECKNER

CUSTER

ROBERT RICKSGERS

FOREST HOME

TERRY SMITH

HELENA

BRUCE WIERMAN

KEARNEY

TIM COMBEN

MANCELONA

MAURICE MCGLEISH

STAR

DONNA SIMONS

WARNER

MATTHEW DOBRZELEWSKI

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DAN
SMITH

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

June 1, 2006

Members of the Board
Township Ambulance Authority

I have audited the accompanying financial statements of the governmental activities and the major fund information of the Township Ambulance Authority, Antrim County, Michigan as of and for the year ended March 31, 2006, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund information of the Township Ambulance Authority, Antrim County, Michigan as of March 31, 2006, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, which immediately follows the Independent Auditor's Report and the budgetary comparison information on page 13, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion of it.



Daniel S. Smith, CPA

TOWNSHIP AMBULANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Township Ambulance Authority annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended March 31, 2006. Please read it in conjunction with the financial statements that immediately follow this section.

Financial Highlights

Our financial status improved over the last year. Assets increased by approximately \$71,575. Total assets are now \$655,575 of which \$178,065 represents capital assets.

Overall revenues were \$356,167 and overall expenses were \$284,550 in the statement of activities.

The Authority purchased a new ambulance for \$84,225. We also invested \$7,855 in costs related to a potential new building.

Overview of the Financial Statements

This annual report consists of three parts; management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the entity.

The first two statements are entity wide financial statements and provide both long and short-term information about our overall financial status. These statements present government activities.

The remaining statements are fund financial statements, which focus on detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

Entity Wide Statements

The entity wide statements report information about the Authority as a whole, using accounting methods used by private companies. The statement of net assets includes all the Authority's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity wide statements report net assets and how they have changed. Net assets are the difference between the Authority's assets and liabilities and this is one method to measure the Authority's financial health or position.

Over time, increases or decreases in the Authority's net assets are an indicator of whether financial position is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide more detailed information about the Authority's funds. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources.

The entity has the following kind of funds:

Governmental Fund – All of the Authority's activities are included in one general fund, classified in the governmental fund category. This fund is presented on the modified accrual basis, which is designed to show short-term financial information. You will note that differences between the entity wide statements and the fund statements are disclosed in the reconciling financial statements to explain the difference between them.

Financial Analysis of the Entity as a Whole

Net Assets – the Authority's net assets increased by \$71,617 during the year ended March 31, 2006, totaling \$655,438, of which \$178,065 is invested in capital assets, leaving \$477,373 in unrestricted net assets. The increase in net assets is due primarily to conservative spending by the Authority. The unrestricted net assets will be used for future capital asset purchases and operating expenses.

Financial Analysis of the Authority's Funds

Fund Balance – the Authority's fund balance increased by \$2,586, bringing the total fund balance to \$477,373.

Capital Assets

Our capital asset purchases include a new ambulance (\$84,225) and building costs (\$7,855). Our total net capital assets at year end were \$178,065.

Long-term Debt

The Authority has no long-term debt.

Known Factors affecting Future Operations

None.

Contacting Authority Management

This financial report is designed to provide our taxpayers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the revenues it receives. If you have any questions concerning this report, please contact the following members of the Authority:


Terry Smith, Forest Home Township
Maurice McGleish, Mancelona Township

**TOWNSHIP AMBULANCE AUTHORITY
STATEMENT OF NET ASSETS
MARCH 31, 2006**

ASSETS

Current Assets:

Cash	\$ 355,599
Certificate of Deposit	52,539
Current Taxes Due from Townships	33,339
Delinquent Taxes Receivable	36,033
	<hr/>
Total Current Assets	477,510
	<hr/> <hr/>

Capital Assets:

Fixed Assets - Original Purchase	36,000
Vehicles	158,777
Equipment	31,911
Building Costs	7,855
	<hr/>
	234,543
Less, Accumulated Depreciation	(56,478)
	<hr/>
Total Capital Assets	178,065
	<hr/>
Total Assets	655,575
	<hr/> <hr/>

LIABILITIES

Accounts Payable	\$ 137
	<hr/>

NET ASSETS

Unrestricted Net Assets	477,373
Investment in Capital Assets	178,065
	<hr/>
Total Net Assets	\$ 655,438
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2006**

	P R O G R A M R E V E N U E S				NET REVENUE/ (EXPENSE) AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	
	\$ (284,550)	-	-	-	\$ (284,550)
GOVERNMENTAL ACTIVITIES					
Ambulance Service					
GENERAL REVENUES					
Property Taxes:					
Forest Home					70,422
Kearney					65,892
Central Lake					51,074
Mancelona					44,513
Helena					42,826
Custer					43,703
Star					18,668
Warner					8,306
Chestonia					8,558
Delinquent Personal Property Taxes					168
Interest Income					2,037
Total General Revenues					356,167
CHANGE IN NET ASSETS					
NET ASSETS - APRIL 1, 2005					71,617
NET ASSETS - MARCH 31, 2006					583,821
					\$ 655,438

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
MARCH 31, 2006**

	GENERAL FUND
<hr/>	
ASSETS:	
Cash	\$ 355,599
Certificate of Deposit	52,539
Taxes Receivable:	
Current Taxes Due from Townships	33,339
Delinquent Taxes - County	36,033
	<hr/>
Total Assets	477,510
	<hr/> <hr/>
LIABILITIES:	
Accounts Payable	\$ 137
	<hr/>
FUND EQUITY:	
Fund Balance	477,373
	<hr/>
Total Fund Equity	477,373
	<hr/>
Total Liabilities and Fund Equity	\$ 477,510
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2006**

**TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES
PER BALANCE SHEET - PAGE 3**

\$ 477,373

Amounts reported for governmental activities in the Statement of Net Assets (page 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not used in the funds.

178,065

**TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES
PER STATEMENT OF NET ASSETS - PAGE 1**

\$ 655,438

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2006**

	GENERAL FUND
<hr/>	
REVENUES:	
Property Taxes:	
Forest Home	\$ 70,422
Kearney	65,892
Central Lake	51,074
Mancelona	44,513
Custer	43,703
Helena	42,826
Star	18,668
Chestonia	8,558
Warner	8,306
Delinquent Personal Prop. Taxes	168
Interest Income	2,037
	<hr/>
Total Revenues	356,167
	<hr/>
EXPENDITURES:	
Contractual Services	242,829
Capital Outlay	93,712
Fuel	11,123
Insurance	1,905
Audit	1,500
Communications	841
Supplies	158
Legal Services	625
Mileage Reimbursement	165
Postage	30
Miscellaneous	693
	<hr/>
Total Expenditures	353,581
	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	2,586
 FUND BALANCE - APRIL 1, 2005	 474,787
	<hr/>
 FUND BALANCE - MARCH 31, 2006	 \$ 477,373
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2006**

NET CHANGE IN FUND BALANCES

TOTAL GOVERNMENTAL FUNDS - PAGE 5	\$ 2,586
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Amounts reported for governmental activities in the statement of activities (page 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives.	92,080
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Depreciation expense, recorded in the statement of activities but not in the governmental fund financial statements.	(23,049)
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CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES PER THE STATEMENT OF ACTIVITIES - PAGE 2	\$ 71,617
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See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

NOTE A: ENTITY

The Township Ambulance Authority was established under Public Act 57 of 1988, in November, 2002, in order to provide a stable and reliable ambulance service to the participating Townships: Central Lake, Chestonia, Custer, Forest Home, Helena, Kearney, Mancelona, Star and Warner. Each township will have one resident represented on the nine member board. Upon dissolution, all assets and debts of the Authority shall be divided among the member townships according to each township's state equalized value – and its relationship to the Authority's state equalized value.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting framework and the more significant accounting principles and practices of the Township Ambulance Authority are discussed in subsequent sections of this note. The remainders of the Notes are organized to provide explanations, including required disclosures of the Authority's financial activities.

The accounting policies of the Township Ambulance Authority conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, the Township Ambulance Authority adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Authority's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Authority as a whole.

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one functional activity. The Authority has one fund and one functional activity – ambulance services. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Authority's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for the Authority's governmental fund.

The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPE AND MAJOR FUND

Governmental Fund

The Authority reports the following major governmental fund:

General Fund- This fund is used to account for all financial transactions of the Township Ambulance Authority. The Authority's primary source of revenue is from Township property taxes "earmarked" for ambulance services. These taxes are received from the nine participating Townships throughout the year.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Authority does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Reimbursements are reported as reduction to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurably available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes and investment income. In general, other revenues are recognized when cash is received.

BUDGET

An annual budget is required of the Township Ambulance Authority. The budget is open to the public for their consideration before final adoption. The Townships also individually review and approve the budget. Upon completion of the public hearing, the budget was adopted on a fund level using the modified accrual basis of accounting. The budget was amended as necessary throughout the year. Both the original and amended budgets are presented in these financial statements, as a part of required supplementary information. Budgets as adopted end on March 31st of each year. There are no carryover budget items.

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. For the year ended March 31, 2006, the general fund incurred expenditures in excess of its final budget by \$63,714.

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RESTRICTED RESOURCES

The Authority currently has no restricted resources.

CAPITAL ASSETS AND DEPRECIATION

The Authority's property, plant, and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Authority has no infrastructure assets. Donated assets are stated at fair value on the date donated. The Authority generally capitalizes assets with a cost of \$1,000 or more.

Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful live, in years, for depreciable assets are as follows:

Buildings and Improvements	25- 40
Land Improvements	10 -20
Furniture, Machinery, and Equipment	5 -10
Vehicles	5 -10

Land and construction in progress are not depreciated.

For information describing capital assets, see Note E.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS**

The Township Ambulance Authority currently has no debt.

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

NOTE C: CASH AND INVESTMENTS

Cash consists of bank accounts with original maturities of 90 days or less.

All cash deposits are maintained in financial institutions in Antrim County area. The Authority's deposits are categorized to give an indication of the level of risk assumed by the Authority at fiscal year-end. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the Authority by its agent or in the Authority's name.
- Category 2 - Collateralized with securities held by the pledging Financial institution's trust department or agent in the Authority's name.
- Category 3 - Uncollateralized and uninsured.

	Bank Balance	Category 1	2	3	Carrying Amount
Cash Deposits	408,138	152,539		255,599	408,138

NOTE D: TAXES RECEIVABLE

The following amounts were due from the participating townships at March 31, 2006:

	<u>Current Taxes</u>	<u>Delinquent Taxes</u>
Central Lake	\$ 9,688	5,350
Chestonia	1,853	1,102
Custer	3,255	5,108
Forest Home	162	3,712
Helena	14,672	2,332
Kearney	3,275	9,111
Mancelona	36	6,456
Star	-	2,322
Warner	398	540
	<u>\$ 33,339</u>	<u>\$ 36,033</u>

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

NOTE E: CAPITAL ASSETS AND DEPRECIATION

The following table provides a summary of changes in capital assets:

	<u>CAPITAL ASSETS DEPRECIATED</u>			
	<u>VEHICLES</u>	<u>EQUIPMENT</u>	<u>BUILDINGS</u>	<u>TOTALS</u>
<u>Governmental Activities</u>				
Balance, April 1, 2005	\$ 74,552	\$ 67,911	\$ -	\$ 142,463
Increases	84,225	-	7,855	92,080
Decrease	-	-	-	-
Balance, March 31, 2006	<u>158,777</u>	<u>67,911</u>	<u>7,855</u>	<u>234,543</u>
<u>Governmental Activities</u>				
Accumulated Depreciation				
Balance, April 1, 2005	13,046	20,383	-	33,429
Increases	11,666	11,383	-	23,049
Decreases	-	-	-	-
Balance, March 31, 2006	<u>24,712</u>	<u>31,766</u>	<u>-</u>	<u>56,478</u>
Governmental Activities Capital Assets, Net	<u>\$ 134,065</u>	<u>\$ 36,145</u>	<u>\$ 7,855</u>	<u>\$ 178,065</u>

NOTE F: CONTRACTS

The Authority has entered into an "Ambulance Management Service Contract with Allied EMS Systems, Inc. and Life + Link (both Michigan nonprofit corporations). In summary, the Authority purchased Life + Link's capital assets for \$36,000 and contracted with Allied for operational ambulance services. A subsidy shall be paid by the Authority to Allied to "cover" the estimated total operating loss for each calendar year. For 2006, the estimated loss is \$183,903, of which \$91,952 (50%) was paid in December, 2005. Additionally \$94,671 was paid in January, 2006, to cover the fourth quarter loss for 2005.

The contract term is January 1, 2003 through December 31, 2006.

NOTE G: INSURANCE

The Authority does maintain "bond surety" coverage for certain board members. Liability coverage is part of the contractual agreement with Allied.

TOWNSHIP AMBULANCE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2006

	<u>ORIGINAL BUDGET</u>	<u>FINAL AMENDED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FROM FINAL AMENDED BUDGET</u>
REVENUES:				
Property Taxes:				
Forest Home	\$ 70,000	\$ 70,000	\$ 70,422	\$ 422
Kearney	65,500	65,500	65,892	392
Central Lake	51,000	51,000	51,074	74
Mancelona	44,500	44,500	44,513	13
Helena	42,500	42,500	42,826	326
Custer	43,500	43,500	43,703	203
Star	18,500	18,500	18,668	168
Warner	8,000	8,000	8,306	306
Chestonia	8,500	8,500	8,558	58
Delinquent Personal Prop. Taxes	-	-	168	168
Interest Income	2,000	2,000	2,037	37
Total Revenues	<u>354,000</u>	<u>354,000</u>	<u>356,167</u>	<u>2,167</u>
EXPENDITURES:				
Contractual Services	129,000	129,000	242,829	(113,829)
Capital Outlay	123,000	131,000	93,712	37,288
Fuel	14,000	14,000	11,123	2,877
Insurance	2,500	2,500	1,905	595
Audit	3,000	3,000	1,500	1,500
Legal Services	2,500	2,500	625	1,875
Printing	1,000	1,000	-	1,000
Communications	-	600	841	(241)
Supplies	1,000	1,000	158	842
Mileage Reimbursement	500	500	165	335
Postage	100	100	30	70
Miscellaneous	1,000	1,000	693	307
Education	1,000	1,000	-	1,000
Meals & Lodging	500	500	-	500
Total Expenditures	<u>279,100</u>	<u>287,700</u>	<u>353,581</u>	<u>(65,881)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>74,900</u>	<u>66,300</u>	<u>2,586</u>	<u>(63,714)</u>
FUND BALANCE - APRIL 1, 2005	<u>474,787</u>	<u>474,787</u>	<u>474,787</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2006	<u>\$ 549,687</u>	<u>\$ 541,087</u>	<u>\$ 477,373</u>	<u>\$ (63,714)</u>

See accompanying notes to the financial statements